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Chairman: Ms. Wensley ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10.05 a.m.

Agenda item 126: United Nations common system
(A/54/30, A/54/434 and A/54/483; A/C.5/54/24)

1. **Mr. Bel Hadj Amor** (Chairman of the International Civil Service Commission), introducing the report of the International Civil Service Commission (ICSC) for the year 1999 (A/54/30), said that the report was shorter than in some earlier years because the Commission had set itself a more manageable agenda featuring fewer items than in previous years.

2. The centrepiece of the report for 1999 had been the Commission's work on human resources management. As he had announced the previous year, the Commission had set up a Working Group on the Framework for Human Resources Management in response to the request of the General Assembly in resolution 53/209. At the Commission's summer session, the Working Group had made available a report on human resources management that was largely complete, further work being required on the drafting of guiding principles together with some minor adjustments. The report covered most of the Assembly's request but did not yet include the framework itself. The Commission had asked him to explain to the Committee that it would prefer to submit the complete framework the following year because 2000 was a year in which the Committee was due to consider personnel matters and because that delivery date would provide the organizations with the time needed to consult their constituencies, including their staff associations, on the suitability of the framework in the spirit of the improved consultative process developed by the Commission. In the meantime, the ICSC secretariat was continuing to work on individual areas of the framework which the Commission would begin to review at its spring session. Although individual agencies had been engaged in their own efforts over the years, the development of the framework represented the first time that such a complete tool would be made available to the organizations of the common system, providing them with a conceptual base for action in any area of human resources management reform, and facilitating the integration of the diverse elements which made up human resources management.

3. The Commission had also been working on the updating of the 1954 report of the International Civil Service Advisory Board entitled Standards of Conduct in the International Civil Service. That was a matter to which the Commission attached great importance since standards of conduct, or the ethics by which an international civil service should be guided, were an overarching component of the framework of human resources management. Although the Commission had intended to finalize its report to the Assembly in time for its current session, it had decided instead, in the light of the views expressed by the organizations and the staff, to report in 2000 and to form a working group to finalize the draft standards, thus providing the organizations with the time to consult with their staff and legal advisers. A working group was currently meeting in Geneva.

4. The Commission had also reviewed the issue of post adjustment at Geneva, which had become almost an annual exercise. The problem was that a post adjustment index was supposed to represent the cost of living of Professional and higher category staff at a given duty station relative to New York, the base. Because many staff members working in Geneva resided in France, where prices were perceived by some to be lower than in Geneva, whereas the Geneva post adjustment index had always applied to staff regardless of where they lived, the Assembly had asked the Commission to examine the matter to see whether and how what some perceived as an anomaly could be corrected. In response, the Commission had advanced several technical solutions. It had concluded, however, that a technical change, while possible, would entail such legal and administrative difficulties that it would create more problems than it would solve; those problems were, moreover, outside the Commission's mandate.

5. Contrary to the view expressed in the Committee the previous year, the Commission had not been unable to come up with a technical solution in response to the request of the Assembly. It had concluded that a technical solution was possible and had, in fact, explored more than one such solution, three of which were analysed in the report that was being submitted to the General Assembly. The problem remained that those solutions would, in the opinion of the Commission, create insurmountable legal and administrative difficulties and it had therefore once again recommended to the Assembly the maintenance of the status quo.

6. Turning to another aspect of post adjustment, he said that the Commission's secretariat was currently preparing for the new round of headquarters cost-of-living surveys and had decided to forward to the Administrative Committee on Post-Adjustment Questions (ACPAQ) a number of methodological issues that it considered should be addressed; it would revert to the matter at its spring session in the light of the report of ACPAQ on those issues.

7. Another subject that had been considered by the Commission in 1999 had been the separation of housing from post adjustment, a matter which had been on its agenda

intermittently since 1990, when the General Assembly had requested the Commission to establish a pilot project designed to simulate the operation of the Commission's proposals to separate housing costs from post adjustment calculations at a limited number of duty stations in the field where valid housing comparisons were difficult or impossible. The Commission had now concluded that, while it was technically possible to separate rent from post adjustment, the existing salary system did not easily lend itself to factoring out rental costs and treating them separately and, for reasons that were explained in more detail in its report, the Commission had decided not to pursue the matter further.

8. Under its standing mandate from the General Assembly, the Commission reported annually on the margin, which was the difference in remuneration between staff in comparable positions in the United States federal civil service (the comparator) and the United Nations, adjusted for the cost-of-living differential between New York and Washington, D.C. The net remuneration margin for 1999 had been estimated at 114.1 and the Commission was informing the Assembly that, once again, the comparator had not fully implemented the pay reforms envisaged under the Federal Employees' Pay Comparability Act (FEPCA) of 1990. However, there were indications that adjustments to comparator employees' salaries could be higher than in the past, and that would have an impact on the margin.

9. In that context, the Commission had also discussed the problem of the low levels of the margin at senior managerial levels, to which it had been seeking a solution for a number of years. The Commission's recommendations to the General Assembly in 1995, involving a restructuring of the base/floor salary scale, had not been approved and the Commission had now concluded that, to correct the imbalance in the margin levels, any recommendation for a differentiated salary increase by grades would need to be submitted to the Assembly in tandem with a recommendation for a real salary increase.

10. In April 1999 the Commission had conducted a survey of the best prevailing conditions of service for the General Service and other locally recruited categories of staff in Paris. That had been the first application of the revised methodology which had originally been devised by the Commission for surveys of the best conditions of employment at headquarters and non-headquarters duty stations. One of the requirements of the revised methodology was that the public/non-profit sector, including the national civil service, should be represented by at least 25 per cent of the retained employers. In the Paris survey 40 per cent of the employers whose data were used for the analysis phase of the survey had been from that sector. As a result of the survey, a new salary scale had been recommended to the Director-General of UNESCO.

11. The dependent children's allowance for staff in the General Service category had operated since 1982 as a social benefit with a floor amount specified for duty stations where there was no local practice in that respect or where the local practice produced an amount below the floor amount of 3 per cent of the mid-point of the General Service salary scale. In 1997, the Commission had decided that the floor formula should be revised to 2.5 per cent of the local salary scale, subject to review in 1999. During the past year the Commission had decided to maintain the social benefit approach for the payment of the allowance but had taken no decision on the floor formula; it would revert to that matter in 2000 or 2001 when it would have before it the recommendations on the floor formula based on data that would be collected by its secretariat working closely with the organizations.

12. The Commission had reviewed an amendment to its statute proposed by the legal advisers of the United Nations system and endorsed by the Administrative Committee on Coordination (ACC), and ACC had requested that the Commission should bring the amendment to the attention of the General Assembly for its consideration. The proposed amendment was intended to enable the organizations and the Commission to request an advisory opinion from an ad hoc advisory panel on the legality of an ICSC decision or recommendation before it was made, or least before it was implemented by the organizations. After a review of the proposed amendment, the Commission had concluded that there was no need for such an arrangement as very few decisions by the Commission had been successfully challenged before the Administrative Tribunals. The Commission had decided to submit its own observations to the General Assembly and had also requested him, as Chairman, to forward them to the United Nations Legal Counsel so that, if ACC were to decide to submit the proposed amendment to the Assembly, the Commission's comments would be attached. He referred the Committee to the detailed account of the discussion of the issue contained in the Commission's report.

13. Spring 2000 would mark the twenty-fifth anniversary of the first session of ICSC and the Commission had agreed that, in order to mark the occasion, it should publicize both its tangible achievements and its central role in binding the organizations together to avoid serious discrepancies in terms and conditions of employment and reduce competition in the employment of staff. He and the other members of the Commission believed that the anniversary offered an

opportunity to look beyond individual short-term interests and take a close and objective look at the needs of the common system as a whole in the next century. There were plans to commemorate and celebrate the anniversary with the active participation of the Member States, the representatives of the organizations and others who had been closely associated with the activities of ICSC. Further information on the planned commemoration would be available as the year progressed.

14. In conclusion, he assured the Committee that the Commission was conscious of its responsibilities as it entered the new millennium and that it had been devoting more time than usual to reflection, discussion and brainstorming to guarantee its continuing effectiveness. Referring to General Assembly resolutions 52/12 B and 53/209, which mentioned a possible review of ICSC, he expressed the hope that the Commission, in accordance with resolution 53/209, would be an integral part of any review process. It was important for ICSC to maintain its capacity for preserving the common system and to ensure that both the Commission and its interlocutors had a common understanding of the problems facing the system so that they could work together to ensure that the system moved successfully into the twenty-first century.

15. **Ms. Trönningsdal** (Finland), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia, and, in addition, Norway, said that the European Union attached great importance to matters relating to the treatment of staff, who were the Organization's most valuable asset. The common system, which provided consistency in conditions of employment throughout the United Nations system, remained one of the keys to attracting people of the highest quality to carry out the Organization's multifaceted tasks. Participating organizations had no need to research and administer their remuneration arrangements on an individual basis and thus gained in terms of greater efficiency. The European Union therefore supported the role of ICSC and believed that its independence should be maintained.

16. The fact that young people tended to be the ones who chose to leave the Organization gave cause for concern. It was important for the Organization to keep its staff motivated by offering a career with prospects for advancement and the opportunity to make a difference. At the same time, however, the conditions of service at the United Nations must be competitive and stand comparison on a global scale, while taking into account the special nature of the Organization. While the Noblemaire principle was a valuable tool to that end, the report of ICSC indicated that the salaries of employees of the United States federal civil service (the comparator) were increasing at a faster rate than those of United Nations staff. It was therefore important to consider the way in which the principle operated and ways of increasing the flexibility of the system. Consideration should also be given to cost-neutral ways of enhancing the flexibility of the common system. The European Union expected the Commission to consider that issue in the context of its consideration of the report of the Working Group on the Framework for Human Resources Management and in consultation with all the relevant parties.

17. With reference to the Commission's report, the European Union shared the Commission's conclusion that there was no benefit to be derived from pursuing further the matter of post adjustment in Geneva. While the European Union approved the recommendations contained in paragraph 79 of the Commission's report for implementation effective 1 March 2000, it would like the Commission to clarify whether the consequences of the application of the no-loss/no-gain principle would lead to an imbalance in favour of duty stations at which the post-adjustment level was very low or equal to zero.

18. The European Union was greatly concerned about the recent killing of staff members in Kosovo and Burundi. It was absolutely vital for the success of United Nations undertakings and in the interest of the world community that everything possible should be done to safeguard the Organization's personnel and ensure respect for the privileges and immunities of its staff, particularly those engaged in peacekeeping and humanitarian missions. To that end, the European Union called upon all States to ratify the Convention on the Safety of United Nations and Associated Personnel.

19. **Ms. Pinnis** (Latvia) said that her delegation wished to align itself with the statement just made by the representative of Finland.

20. **Ms. Achouri** (Tunisia) pointed out that the note by the Secretary-General on the review of the International Civil Service Commission (A/54/483) had not yet been formally introduced by the Secretariat. She wished to know whether it was proposed that the note should be introduced in the Committee and, if so, when and by whom. She noted further that paragraph 1 of the note in question stated that the Secretary-General's note on the review of the International Civil Service Commission contained in document A/53/688 had been submitted to the General Assembly at its fifty-third session. As far as she was aware, while the document had been circulated during informal consultations, it had not

been introduced in plenary meeting. Paragraph 1 of document A/54/483 should therefore be revised accordingly.

21. **Mr. Moktefi** (Algeria) said that the note by the Secretary-General on the United Nations common system (A/C.5/54/24) had also not been introduced. A representative of the Secretary-General should come before the Committee and answer any questions that might arise following the introduction of the reports.

22. His delegation had some reservations about the composition and role of the working group which it had been proposed should review the role and mandate of ICSC. It also had reservations about the proposed establishment of ad hoc panels to issue advisory opinions on the legality of the Commission's decisions or recommendations before the latter were made. ICSC was an independent body and his delegation shared the Commission's doubts about the need to refer its decisions to the proposed advisory panels, as ICSC would not take a decision which it believed was legally flawed.

23. **The Chairman** said she had been advised that the note by the Secretary-General contained in document A/54/483 would be introduced by the Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs at the Committee's next meeting.

The meeting rose at 10.55 a.m.